GOVERNMENT OF INDIA
NON-CONVENTIONAL ENERGY SOURCES
LOK SABHA

UNSTARRED QUESTION NO:4744
ANSWERED ON:19.12.2002
INCENTIVES FOR SETTING UP OF HYDRO POWER PROJECTS
ALE NARENDRA

Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) whether the Government have formulated any incentives package to independent power producers for setting up Hydro Power Projects in the country ;

(b) if so, the details thereof ;

(c) whether any scheme for development of small hydro projects upto 3 to 25 MW capacity has been launched ;

(d) if so, the details thereof ;

(e) whether private parties are being involve in the scheme ;

(f) if so, the number of private parties who have came forward to set up the projects ; and

(g) the number of projects approved and the total power capacity likely to be added by these projects ?

Answer

MINISTER OF STATE FOR NON-CONVENTIONAL ENERGY SOURCES (SHRI M. KANNAPPAN)

(a)&(b): Government accords high priority to the harnessing of the country`s hydro potential. The strategy includes participation of independent power producers for setting up of hydro power projects. The investment policy has been made more attractive and provides for debt equity ratio up to 4:1; 100% foreign equity participation; liberalized rate of depreciation in respect of assets; import of equipment for power projects at concessional customs duty; 16% rate of return on equity and sale of power on a suitably structured two part tariff. New norms have also been notified for certain other incentives.

(c)&(d): Ministry of Non-conventional Energy Sources have announced a number of Schemes to encourage independent power producers for setting up of Small Hydro Power (SHP) projects of upto 25 MW station capacity.These include incentives for Detailed Survey and Investigation; preparation of Detailed Project Reports; and Interest Subsidy for commercial projects. The details of various incentives under these Schemes are given in the Table.

(e)(f)&(g): Yes, Sir. So far, 70 small hydro power projects aggregating to 226 MW capacity have been set up by the private developers; and, 47 projects aggregating to 177 MW capacity are under implementation.
Table

Table referred to in reply to parts (c) & (d) of the Lok Sabha Unstarred Question No. 4744 for 19.12.2002 regarding Incentives for setting up of Hydro Power projects

INCENTIVES TO INDEPENDENT POWER PRODUCERS UNDER SMALL HYDRO POWER PROGRAMME

Scheme	Areas	Below 500 KW	Above 1MW & upto 5MW	Above 5 MW & upto 15MW	Above 15 MW & upto 25 MW
		500KW upto 1 MW			
(Rs. in lakhs)					
Survey & Investigation	Plain	Upto Rs.0.75	Upto Rs. 1.00	Upto Rs. 1.50	
	Hilly	Upto Rs.1.00	Upto Rs. 2.00	Upto Rs. 3.00	
Detailed Project Report	Plain	Upto Rs.0.75	Upto Rs. 1.00	Upto Rs. 1.50	
	Hilly	Upto Rs.0.75	Upto Rs. 1.00	Upto Rs. 2.00	

Interest Subsidy For Plain	5.00%	2.50%	2.00%	1.50%
Commercial Projects Hilly and NE region	7.50%	5.00%	3.00%	2.00%